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ABSTRACT

In the absence of Federal job initiatives, over 14 million people cannot find full or part-time work. According to a report issued by the Full Employment Action Council and the National Committee for Full Employment, they are casualties of shifts in the economy and of deficit spending that favors the affluent and the military over the poor and the jobless. Although some Federal support programs still exist, the Reagan Administration continues to seek to reduce and terminate key social programs. Federal job creation programs have been useful and effective in two ways: (1) in assisting the structurally unemployed to increase their earnings, maintain a permanent connection to the labor force, and bolster skills and work experience; and (2) as providers of useful community services and work in periods of economic hardship and high unemployment. To take up the slack of shrinking Federal initiatives, some states and local communities have designed effective employability programs. Their basic components are: specific targetting of the population in need; tailored service strategies; initiation and administration by a diversity of community leaders; and funding garnered from a multiplicity of sources. This paper concludes with case studies of three effective programs aimed at each of the three groups in greatest need (youth, hard-to-employ adults, and dislocated workers). Appendices provide unemployment statistics, an explanation of how jobless rates are determined, a brief overview of the Job Training Partnership Act, and policy recommendations. (KH)

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A FIRST FRIDAY REPORT

JOBS FOR THE DISADVANTAGED:

LOCAL PROGRAMS THAT WORK

April 4, 1986

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JOBS FOR THE DISADVANTAGED: LOCAL PROGRAMS THAT WORK

I. Introduction

Recent labor market data confirms the uneven and uncertain nature of the current economic recovery. The existence of persistent high levels of joblessness underscores the need for positive interventions to deal with the problems of hard hit groups and communities. Yet since the demise of the CETA public jobs program in 1981, the federal government has abdicated a responsibility to provide employment opportunities. In the absence of federal leadership, a number of state and local governments are undertaking positive jobs initiatives to deal with the labor market problems of female heads of families, youth, and dislocated workers.

This report analyzes current labor market data, examines the record and potential of federal job creation programs, outlines the components of successful employability programs, and presents case studies of effective state and local approaches. It concludes that local efforts affirm the necessity and effectiveness of comprehensive, tailored systems of remedial education, training, work experience, public service employment and suppport services.

Coupled with sound macroeconomic policy, properly designed and administered job creation and employability programs can and do make a difference in the lives of jobless Americans. They address both "opportunity problems" resulting from job shortages and discrimination and "employability problems" resulting from barriers and deficiencies which prevent individuals from finding or keeping a job.

While local efforts often are hampered by inadequate resources and federal restrictions, their contributions are significant. Their record should spur concerned citizens and policymakers at all levels — including the federal level — to make a renewed commitment to job creation and work experience programs.

II. Labor Market Data

Despite three years of economic "recovery" over eight million Americans cannot find work. Another six million have given up in discouragement or have settled for part-time employment for lack of full-time opportunities. Over 14 million people, then, are casualties of shifts in the national and international economy and of deficit spending that favors the affluent and the military over the poor and the jobless. These misguided domestic spending priorities have severely undermined federal programs aimed to assist the unemployed.

Many states and localities are faring worse than the national figures suggest. Indeed, a comparison of the most recent data for states and metropolitan areas reveals that a majority of areas are worse off now than they were in 1979 before the last two recessions began. Thirty-eight states had higher unemployment rates in January 1985 than in 1979. Among the 20 communities with the highest unemployment rates, real jobless rates* ranged between 20.5 percent and 33.7 percent in January.[1/] (See Tables 1 -- 3 for further details on state and community rates.)

Minorities, single women who head families, youth and dislocated workers also suffer a disproportionate share of the burden of joblessness. Lacking in basic education, marketable skills and supportive services, these groups suffer a competitive disadvantage, exacerbated by current job shortages. While a healthy economy must be the context in which to achieve full employment, direct interventions in the form of remedial education, skills training, job search and placement assistance, work experience, job creation and supportive services are critical to employ disadvantaged and displaced workers.

Federal resources have supplied some needed support to many of these efforts. The Job Training Partnership Act (JTPA)**, the Community Development Block Grant, General Revenue Sharing, and the Work Incentive Program (WIN) provide communities with their basic employment and training system and enable state and localities to undertake initiatives and to leverage additional private dollars.

But despite an official 1985 average unemployment rate of 18.6 percent among youth, 15.1 percent among Blacks, 10.5 percent among Hispanics and 10.5 percent among female heads of families, the Administration continues to seek to reduce and terminate these key social programs. In 1980, when the official unemployment rate was 5.8 percent, the nation invested four times more resources in employment and training programs and served 1.5 million more people than is possible under the 1987 proposed Administration budget.[2/] JTPA, which replaced the Comprehensive Employment and Training Act (CETA) in 1981, and is the nation's primary employment and training vehicle, has resources to serve less than 3 percent of the eligible population and has no public job creation component.

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*/ FEAC calculates real jobless rates by taking into account Labor Department data on the officially unemployed, discouraged and part-time for economic reasons. Please see Appendix A for further discussion on the real jobless rate.

**/ Please see Appendix B for a brief overview of the JTPA.

III. Direct Federal Job Creation

Federal policymakers seeking to reduce the role of government abandoned CETA in 1981 claiming mismanagement and waste. Yet evaluations conducted of direct federal job creation strategies contradict these claims, finding many useful methods and successful outcomes.

The record of prior direct federal job creation programs must be evaluated in light of their impact on both structural and cyclical unemployment.[3] In fact, one of the main problems has been the lack of distinction public policymakers and program planners made between these two different kinds of unemployment.

Direct federal job creation programs have been effective in assisting the structurally unemployed to increase their earnings, maintain a permanent connection to the labor force, and bolster skills and work experience. The most disadvantaged sector of the labor force reap the greatest benefits from direct job creation programs. Research shows that disadvantaged youth with no previous connection to the labor force stay in school longer,[4] find unsubsidized jobs[5] and have lower crime rates[6] after engaging in subsidized work programs. Structurally unemployed adults benefit most from programs which combine work experience and support services.[7]

Direct federal job creation programs have also been an effective countercyclical tool; in periods of economic hardship, millions of unemployed Americans have been provided jobs quickly and directly. But over the years these employment efforts have been hampered by short funding cycles and time lags between the authorization and appropriation process in Congress. Countercyclical public job programs, for example, have been established up to 2.5 years after the trough of the business cycle.[8] Job substitution presents another barrier to the effectiveness of public employment programs. This problem was alleviated in CETA by amendments shortening the duration of projects and tenure of employment.[9]

Finally, federal job creation programs have provided useful services to the community. Ninety-five percent of local officials surveyed by the National Academy of Sciences rated public service employment projects to be "very useful."[10] The Brookings Institution reported little evidence of "make-work" in a study they published in 1978.[11] Direct public job creation efforts have also been shown to yield a number of indirect benefits including reductions in income maintenance outlays, increased tax revenue[12] and greater physical and mental well-being among participants.[13] But the value of the work performed through these programs, and the benefits enjoyed by participating individuals and their communities, are not easily quantified, thereby obscuring their full contribution.

IV. State and Local Initiatives

In response to persistent and high joblessness and despite the federal retreat from support of jobs programs, states and localities have been initiating employability and job creation programs to assist disadvantaged and displaced workers in their communities. These initiatives have incorporated the best of past programs to increase the number of jobs available, provide a first job for those without prior work experience, enhance employability, and strengthen the physical infrastructure and social institutions of participating communities. Many state and local programs successfully incorporate public service employment and work experience components within their employment and training systems, underscoring the effectiveness of these approaches despite federal withdrawal.

Unfortunately, shrinking federal resources and JTPA restrictions limiting these approaches and prohibiting the payment of stipends or wages preclude states and localities, dependent upon federal funds, from providing the highest quality service to all who need it.* Nonetheless, local initiatives provide vital services to the few they can reach and serve as models of successful employability strategies. The following sections outline a few of these strategies.

A. Employability Programs: Components of Effective Designs

Given the diversity of people and factors influencing unemployment, successful programs must first be targeted to a specific segment of the population in need.[14/] Second, service strategies must be tailored to meet the specific needs of the targeted population. Third, effective programs must be initiated and administered by a diversity of community leaders including local elected officials, private industry, community based and neighborhood organizations, and philanthropic organizations. Finally, funding must be garnered from a multiplicity of sources.

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*/ Please see Appendix C for a list of policy recommendations to improve JTPA.

Youth, hard-to-employ adults and displaced workers each face a different set of problems. To properly tailor programs, the unique needs of each must be identified.

A lack of basic skills is the most influential factor contributing to unemployment among youth. Nearly 50 percent of young people in some metropolitan areas are dropping out of high school each year. As a result, young people are less competitive in the labor market. There simply aren't enough jobs for which disadvantaged youth can qualify. Young people also have fewer job search skills and lack work history. Successful job training programs for disadvantaged youth, then, would incorporate some combination of remedial education, work experience and job search and placement assistance.

Hard-to-employ adults are also plagued by a lack of basic education and opportunity to develop marketable skills. The burden of early and single parenthood in a society facing shortages of affordable, high quality child care precludes many women from taking jobs and partaking in job training programs which do not offer supportive services. As a result, adult women suffer proportionately more joblessness than adult men.

Other hard to employ adults include those with physical disabilities, discouraged and long-term unemployed as well as those with a history of drug abuse and involvement with the criminal justice system. While programs to assist hard-to-employ adults must be carefully tailored given the diversity of the population, supportive services (child care and health care), basic education, financial assistance, skill training and job creation efforts are often components of effective employment programs.

Dislocated workers, having a generally successful and stable work history, require a different strategy. The problems this group face may include older age, obsolete skills, lack of basic education, high earnings expectations and financial obligations. Therefore, effective programs will focus on retraining the worker in a marketable skill and assisting the worker to make a smooth transition from one occupation to another. Intervention is especially successful prior to displacement.

B. Case Studies

The following case studies document examples of effective program models. The highlighted models and specific programs for youth, hard-to-employ adults and dislocated workers represent only a few of the many successful approaches developed and currently

operating on the local level. For a more in-depth examination of these and other programs, please see Reducing Urban Unemployment: What Works at the Local Level by William McCarthy at the National League of Cities.

1. The Conservation and Service Corps Model for Youth

The conservation and service corps approach combines educational development and work experience to enhance the employability of young people from all racial and socio-economic backgrounds. Fashioned after the Civilian Conservation Corps of the 1930s, these programs provide young people with an opportunity to acquire skills in a variety of fields, to engage in meaningful work with others and to be of service to the community.

Guiding the corps movement is the belief that young people are able and eager to develop skills and serve their communities. Through teamwork and useful, engaging work projects, corps programs teach young people the responsibility of citizenship. Currently there exist over 35 corps programs.[15/] While all share the work experience component, most corps also provide young people with basic education, leadership and skill development. GED training classes, for example, are given in the evenings after work or one day a week, in addition to career and leadership development activities.

The heart of the corps ethic and program, however, is the work experience. Young people generally work in highly supervised crews on a wide variety of projects to improve public lands, facilities and services. "Conservation" projects include emergency response to floods and fires, erosion control, landscaping and general maintenance and renovation of public areas. Corpsmembers also work in the human service arena, assisting the disadvantaged, disabled and elderly. The work performed by corpsmembers is proven to be of value to recipient communities and cost effective.

Corps programs are funded in a variety of ways. Most corps budgets consist of a medly of resources including JTPA, private foundations, and fee for service contracting. A few corps, however, are publicly funded as departments of state or local goverment. Many others charge public agencies for the work performed.

Conservation and service corps programs are both targeted and universal. Universal programs accept participants without regard to family income, thereby exposing young people of different ethnicities and socio-economic backgrounds to one another. Targeted programs, on the other hand, engage in more rigorous outreach and recruitment in

their attempt to serve special populations. Interestingly, untargeted programs, despite their lack of eligibility criteria, tend to be composed primarily of young people from low income households.

Characterized by a commitment to service and by a holistic view of young people's development, conservation and service corps are an effective, resourceful and widely beneficial approach to the challenges faced by today's youth.

The California Conservation Corps (CCC) is the oldest and largest youth conservation corps program. The headquarters in Sacramento operates 20 non-residential programs and 18 residential centers throughout California, serving youth of all backgrounds between the ages of 18 and 23. Corpsmembers attend a three week training academy before engaging in the conservation projects and other developmental activities. A state-funded program, it operates as a department within the California State Resources Agency. While state funding enables the CCC to be independent of federal restrictions, the corps can only serve approximately 1,900 youth per year.

2. Hard to Employ Adults Recipients of Welfare

In 1981, states were given greater latitude in the design of employment programs for recipients of AFDC. Since then, a number of states have instituted programs to serve this hard to employ adult population. "ET Choices" in Massachusetts is perhaps the most notable of recent efforts.

Welfare to work programs take a variety of forms. The traditional "workfare" approach generally requires welfare recipients (excluding parents with very young children) to participate in job search activities and then, if unsuccessful in finding unsubsidized employment, to engage in a limited work obligation. Participants labor the number of hours necessary to work off their monthly AFDC grant at the minimum wage. Critics of this approach argue that mandatory work obligations are punitive and, without skill development or remedial education, provide participants with few long-term benefits.

Some states have developed comprehensive, individualized programs emphasizing long-term self-sufficiency over short term savings in welfare expenditures. These approaches offer welfare recipients a wide range of service options in order to address individual goals, abilities and family obligations. Many programs depend on federal funds, including JTPA and WIN, for a portion of their budgets.

The "Options" program in Baltimore, Maryland works with welfare recipients to develop individualized employability plans. Participants engage in a sequence of activities,

including, where appropriate, job search assistance, public sector work experience, occupational and remedial training and/or grant diversion placements for the job ready. Transportation and child care services are provided when needed. Options is funded by JTPA, AFDC administrative funds and WIN money. To date, the program has served over 3,600 clients with personally tailored service packages.

3. Prevention and Partnership for Displaced Workers

Programs for dislocated workers can target specific employee groups before or after lay-off or assist displaced individuals throughout the community. The model highlighted below targets a specific plant closing and requires prior notification. This lead time enables programs to help workers minimize short-term disruption and prevent long-term displacement. An effective preventative approach also requires the active cooperation and participation of industry, labor and government. A program in Fort Wayne, Indiana, illustrates the benefits of team work in assisting dislocated workers.

In 1982, International Harvester Corporation and the United Auto Workers began operating an "outplacement center" which served workers to be displaced by the then imminent closing of the IH plant. Funds for the center came initially from IH and then from a JTPA Title III grant. Services included workshops on the personal and professional impact of lay-offs, individual job search counseling, job clubs, job development, educational counseling and subsidized training and education. This team approach served 4,000 workers in two years. Of these, 1,400 were placed in new jobs and an additional 500 were re-employed by IH in other locations.

V. Conclusion

State and local programs are providing needed services and developing creative models to assist disadvantaged and displaced workers. Despite federal withdrawal from support of employment and training programs, local efforts are affirming the necessity and effectiveness of comprehensive and tailored systems. But these programs can afford to serve only a small percentage of the jobless. And among programs supplemented by federal funds, shrinking JTPA dollars and restrictive regulations impede their ability to serve those in need. Amidst job shortages and skill deficiencies facing the nation's unemployed, effective programs at all levels need more adequate support.

TABLE 1

TWENTY HIGHEST METROPOLITAN AREAS UNEMPLOYMENT (%)

	Location	Annual Average 1979 Official Rate	Annual Average 1979 Real Rate	January 1986 (most recent) Official* Rate	January 1986 (most recent) Real** Rate
1.	McAllen-Edinburg-Mission, TX	12.0	20.4	18.7	33.7
2.	Beaver County, PA	N/A	N/A	15.9	28.6
3.	Johnstown, PA	8.7	14.8	14.7	26.5
4.	Lake Charles, LA	6.8	11.6	14.6	26.3
5.	Waterloo-Cedar Falls, IA	4.7	8.5	14.0	25.2
6.	Modesto, CA	11.8	20.1	13.7	24.7
	Brownsville-Harlingen, TX	8.5	14.5	13.7	24.7
7.	Vineland-Millville-Bridgeton, NJ	9.6	16.3	13.4	24.1
8.	Wheeling, WV	6.4	10.9	13.1	23.6
9.	Salinas-Seaside-Monterey, CA	8.1	13.8	13.0	23.4
10.	Houma-Thibodaux, LA	N/A	N/A	12.9	23.2
11.	Fresno, CA	8.0	13.6	12.8	23.0
12.	Shreveport, LA	6.1	10.4	12.6	22.7
	Beaumont-Port Arthur, TX	5.9	10.0	12.6	22.7
13.	Laredo, TX	10.7	18.2	12.2	22.0
14.	Stockton, CA	9.9	16.8	12.1	21.8
15.	Parkersburg-Marietta, WV	6.0	10.8	12.0	21.6
16.	Baton Rouge, LA	6.5	11.7	11.9	21.4
17.	Altoona, PA	8.7	15.7	11.8	21.2
	Danville, VA	N/A	N/A	11.8	21.2
18.	Canton, OH	5.7	9.7	11.7	21.1
19.	Youngstown-Warren, OH	7.2	12.2	11.6	20.9
20.	Atlantic City, NJ	9.3	16.7	11.4	20.5
	Monroe, LA	7.6	13.7	11.4	20.5

*/ SOURCE: Bureau of Labor Statistics.

**/Source: Full Employment Action Council. The real rate of unemployment takes into account the numbers of officially unemployed, part-time for economic reasons and discouraged workers. In January, the official unemployment rate was 6.7 percent, while the real jobless rate was 12.3 percent.

Note: The Bureau of Labor Statistics did not have available data for metropolitan areas in Colorado, Idaho, Illinois, Indiana, Kentucky, Michigan, or Wisconsin. In December 1985 the following areas in those states were rated among the highest unemployment rate areas in the nation: Kankakee, IL; Gary-Hammond, IN; Owensboro, KY; and Kenosha, WI.

TABLE 2

TWENTY LARGEST METROPOLITAN AREAS UNEMPLOYMENT (%)

	Location	Annual Average 1979 Official Rate	Annual Average 1979 Real Rate	January 1986 (most recent) Official* Rate	January 1986 (most recent) Real** Rate
1.	New York, NY	8.1	13.8	7.3	13.7
2.	Los Angeles-Long Beach, CA	5.5	9.4	6.6	11.9
3.	Chicago, IL	5.2	8.8	N/A	N/A
4.	Philadelphia, PA	6.9	11.7	5.9	10.6
5.	San Francisco, CA	5.6	9.5	4.2	7.6
6.	Detroit, MI	8.0	13.6	N/A	N/A
7.	Boston, MA	5.3	9.0	3.3	5.9
8.	Houston,TX	3.3	5.6	7.5	13.5
9.	Washington, D.C.	7.5	12.8	7.6	13.7
10.	Dallas, TX	3.6	6.1	4.7	8.5
11.	Miami-Hialeah, FL	6.3	10.7	6.3	11.4
12.	Cleveland, OH	5.0	8.5	8.3	14.9
13.	St. Louis, MO	5.4	9.2	N/A	N/A
14.	Atlanta, GA	4.6	7.8	4.4	7.9
15.	Pittsburgh, PA	5.9	10.0	9.3	16.7
16.	Baltimore, MD	6.6	11.2	5.6	10.1
17.	Minneapolis-St. Paul, MN	3.3	5.6	N/A	N/A
18.	Seattle, WA	5.3	9.0	6.4	11.5
19.	San Diego, CA	6.2	10.5	4.4	7.9
20.	Tampa-St. Petersburg-Clearwater, FL	5.4	9.2	5.2	9.4

*/Source: Bureau of Labor Statistics.

**/Source: Full Employment Action Council. The real rate of unemployment takes into account the numbers of officially unemployed, part-time for economic reasons and discouraged workers. In January, the official unemployment rate was 6.7 percent, while the real jobless rate was 12.3 percent.

TABLE 3

STATE UNEMPLOYMENT RATES %

State	Annual Average 1979		January 1986 (Most Recent)	
	Official Rate	Real Rate	Official* Rate	Real** Rate
Alabama	7.1	12.1	9.1	16.4
Alaska	9.2	15.6	11.5	20.7
Arizona	5.1	8.8	6.5	11.7
Arkansas	6.2	10.5	9.7	17.5
California	6.2	10.5	6.6	11.9
Colorado	4.8	8.2	N/A	N/A
Connecticut	5.1	8.7	4.5	8.1
Delaware	8.0	13.6	5.2	9.4
District of Columbia	7.5	12.8	7.6	13.7
Florida	6.0	10.2	5.6	10.1
Georgia	5.1	8.7	5.6	10.1
Hawaii	6.3	10.7	5.9	10.6
Idaho	5.7	9.7	N/A	N/A
Illinois	5.5	9.4	8.6	15.5
Indiana	6.4	10.9	N/A	N/A
Iowa	4.1	7.0	9.2	16.6
Kansas	3.4	5.8	6.1	11.0
Kentucky	5.6	9.5	11.6	20.9
Louisiana	6.7	11.4	12.7	22.9
Maine	7.2	12.2	6.8	12.2
Maryland	5.9	10.0	4.9	8.8
Massachusetts	5.5	9.4	4.1	7.4
Michigan	7.8	13.5	9.4	16.9
Minnesota	4.2	7.1	7.7	13.9
Mississippi	5.8	9.9	11.1	20.0
Missouri	4.5	7.7	6.6	11.9
Montana	5.1	8.7	9.5	17.1
Nebraska	3.2	5.4	7.0	12.6
Nevada	5.1	8.7	8.5	15.3
New Hampshire	3.1	5.3	3.8	6.8
New Jersey	6.9	11.7	6.9	12.4
New Mexico	6.6	11.2	9.2	16.6
New York	7.1	12.1	6.7	12.1
North Carolina	4.8	8.2	5.9	10.6
North Dakota	3.7	6.3	7.9	14.2
Ohio	5.9	10.0	9.3	16.7
Oklahoma	3.4	5.8	7.3	13.1
Oregon	6.8	11.6	8.8	15.8

TABLE 3
(continued)

STATE UNEMPLOYMENT RATES %

State	Annual Average 1979		January 1986 (Most Recent)	
	Official Rate	Real Rate	Official* Rate	Real** Rate
Pennsylvania	6.9	11.7	8.1	14.6
Rhode Island	6.6	11.2	5.3	9.5
South Carolina	5.0	8.5	7.8	14.0
South Dakota	3.5	5.6	5.6	10.1
Tennessee	5.8	9.9	8.5	15.3
Texas	4.2	7.1	6.9	12.4
Utah	4.3	7.3	6.5	11.7
Vermont	5.1	8.7	5.3	9.5
Virginia	4.7	8.0	6.1	11.0
Washington	6.8	11.6	8.7	15.7
West Virginia	6.7	11.4	13.4	24.1
Wisconsin	4.5	7.7	8.5	15.3
Wyoming	2.8	4.8	10.3	18.5

*/ Source: U.S. Department of Labor, Bureau of Labor Statistics.

**/Source: Full Employment Action Council. The real rate of unemployment takes into account the numbers of officially unemployed, part-time for economic reasons and discouraged workers. In January, the official unemployment rate was 6.7 percent, while the real jobless rate was 12.3 percent.

APPENDIX A

DETERMINING JOBLESS RATES

Each month when the government releases information on the employment situation, public attention focuses on the percentage figure that represents the national unemployment rate. While useful as one indicator of the health of the economy, that single national percentage understates the problem of joblessness by ignoring underemployed and discouraged workers. Moreover, it masks the disproportionate impact on particular demographic groups and communities. Finally, as is common with statistics, the percentage conveys inadequately the magnitude and human dimension of the unemployment problem.

Official Unemployment

The official unemployment rate is based on surveys the government conducts during one week each month. The survey provides a snapshot of the economy at a point in time. The Labor Department classifies as unemployed only those who did not work during the survey week, who made specific efforts to find a job within the previous four weeks, and who were available for work.

Discouraged and Part-time for Economic Reasons

The Labor Department also collects and publishes information on two other major categories of workers who experience joblessness: discouraged workers and involuntary part-time workers, but does not include them in calculating the official unemployment rate. "Discouraged" workers are persons without jobs who want them but have not undertaken an active search during the preceding month. For those in hard hit industries or depressed neighborhoods, it is little wonder that conducting a search often seems futile. "Part-time for economic reasons" workers are persons who work part-time but seek full-time jobs. Despite their serious underemployment, with some working as little as a few hours a week, these persons do not register in the official unemployment rate.

Real Jobless Rate

FEAC's real jobless rate takes into account three categories of workers in order to provide a more appropriate indicator of unemployment and underemployment. Adding the 1.2 million discouraged and 5.6 million forced part-timers to the 8.3 million officially unemployed yields a 1985 annual "real" jobless rate of 13.0 percent, compared with the official rate of 7.2 percent.

JTPA -- A Brief Overview

Authorizing Bill: PL 97-300 passed October, 1982 and implemented October, 1983.

Main Players: Federal - Department of Labor who provides block grants to the States, provides regulatory language, and occasional updates through Training and Employment information notices.

State - Receives money for the program through grants. Some of the money remains at the state level for programs, other funds are passed through to the local level. Governors are provided with the major responsibility for reporting information, both financial and program, to the Department of Labor. They also assume major liability for the funds if misspent.

Service Delivery Area (SDA) - Local area designated as an area of service for the program. The area is to be a local labor market, but often includes more than one. Some SDAs are single city or county areas, others are consortiums of cities and counties.

Local Elected Officials - The chief local elected official within the SDA. In consortiums there are often LEO boards with a specific chair selected as the chief elected offcial. The LEOs have the responsibility of setting up the Private Industry Council, selecting new members as vacancies arise, signing off on the local job training plan, and providing overall policy.

Private Industry Council - The specific policy board for the SDA, it is comprised of members from the private sector, community based organizations, labor, welfare agencies, educational agencies, employment service, and economic development agencies. It is responsible for developing a job training plan outlining the budget and activities for the SDA, for oversight and monitoring of JTPA, and for other activities outlined by specific state policies. A PIC can incorporate and operate JTPA if it chooses.

Grant Recipient/Administrative Entity - The actual organizations choosen to operate JTPA. The Grant Recipient receives the funds from the state, the Administrative Entity provides actual administration of the program. Often the same agency will play both roles. The range of agencies playing this role include cities and counties, community colleges, council of governments, economic development agencies, and incorporated PICs.

Activities: Title IIA - This is the major title in JTPA, with the largest funding. This money is provided to local areas by formula which is based on unemployment and economically disadvantaged percentages. The activities under this title include activities for youth and adults including on-the-job training, work experience, classroom training, job search activities, pre-employment training, and remedial education.

Title III - Funding provided to the states for dislocated workers who have lost their jobs due to layoffs, business closures, or who are long term unemployed. Many states have expanded the definition to include farmers and other self employed individuals. Activities include on-the-job training, pre-employment, and job search.

Title IIB - This is the title which provides funding for Summer Youth Employment and Training Program. SYETP provides funds for a short term summer program which focuses on work experience and education.

Other programs: JTPA also includes funding for 8%-Education, 3%-Older Workers, Title IVC - Veterans, Migrant and Seasonal Farmworkers and Indian programs.

Performance Standards - One of the major changes in JTPA include performance standards. The standards are adult entered employment rate, adult wage at placement, adult cost per placement, adult welfare entered employment rate, youth entered employment rate, youth positive termination and youth cost per posivite termination. At termination, each participant's final outcome is recorded and the performance standards judged from that final outcome. Placement in an unsubsidized job is the major goal for adults, while youth goals can include completion of school, completion and attainment of competencies, or employment.

Funding: (Training and Employment Services)

Program Year 1984	Program Year 1985	Program Year 1986
July 1984 - June 1985	July 1985 - June 1986	July 1986 - June 1987
$3,732,000,000	$3,774,662,000	$3,337,192,000

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APPENDIX C

POLICY RECOMMENDATIONS

Increased funding is important for JTPA to be able to serve those most in need of its services. Currently JTPA has funds to serve only about 3 percent of those eligible for its programs. Among the groups served are dislocated workers, displaced homemakers, welfare recipients, and youth. All of these groups have important needs; without funding they cannot be met.

The following programmatic changes would help the program better reach its target population:

- Work experience activities for youth should have greater flexibility in order to increase usage. Many studies on youth unemployment show that a combination of education and work experience provides the best long term results. Currently the work experience component is limited to 26 weeks if 50 percent of its funding comes out of training dollars. The other 50 percent (or the entire cost if the work experience placement goes over 26 weeks) must come out of the Supportive Service cost category which is limited to 15 percent of the budget. Work experience in the private sector ("tryout employment") is limited to 250 hours and there are sanctions if the employer does not hire the youth.

- Longer term training should be emphasized. This can be accomplished through greater flexibility in performance standards and supportive services for child care and transportation, and an expansion of the period of funds must be expended. (While JTPA calls for a three-year period of expenditure, both the Congress and states have put pressure on local areas to spend their money within one year. Pressure to spend money quickly also results from the exclusion of obligated funds from financial tracking.)

- Better coordination with other federal programs is needed to enhance the quality of service and reduce duplication. While local programs are developing these linkages, national models are needed. Regulations in the food stamp and UI program, for example, which discourage an individual's participation in multiple federal assistance programs should also be examined.

FOOTNOTES

1. Full Employment Action Council and the Rural Coalition, "Rural Jobs: Going, Going, Gone?" Washington, D.C. March 7, 1986, pg. 20.

2. Full Employment Action Council and Roosevelt Centennial Youth Project, "Employment and the Budget: Programs of Opportunity at Risk." Washington, D.C., February 7, 1986.

3. Material for this section taken from Clifford Johnson, "Direct Federal Job Creation: Key Issues," Committee on Education and Labor, U.S. House of Representatives, Serial No. 99-E, Washington, D.C., October 1985. Original sources are also cited.

4. A.L. Nellum, Inc., Evaluation of the 1979 Summer Youth Employment Program (Washington: Employment and Training Administration, Office of Youth Programs, December 1980).

5. Ibid.

6. Sherry Pomerantz, "Summer Court Involvement," Opportunities Industrialization Centers of America, Addendum to Career Exploration Program Final Report (Washington: Employment and Training Administration, Office of Youth Programs, March 1981).

7. Stanley H. Masters and Rebecca Maynard, The Impact of Supported Work on Long-Term Recipients of AFDC Benefits (New York: Manpower Development Research Corporation, 1981), pp. 78-91.

8. 1983 Economic Report of the President (Washington: U.S. Government Printing Office, February 1983), pp. 39-40.

9. Richard Nathan et al., Public Service Employment: A Field Evaluation (Washington: The Brookings Institution, 1981), pp. 12-26.

10. William Mirengoff, et al., CETA: Assessment of Public Service Employment Programs (Washington: National Research Council, National Academy of Sciences, 1980), p. 138.

11. National Commission for Manpower Policy, Monitoring the Public Service Employment Program, Volume II (Washington, NCMP, 1978), p. 96.

12. Congressional Budget Office, Effects of Eliminating Public Service Employment (Washington: U.S. Government Printing Office, June 1981), pp. xi, 6.

13. M. Harvey Brenner, "Pathology and the National Economy," statement prepared for the Task Force on Economic Disparities, Joint Economic Committee of the U.S. Congress, 1979; The Bureau of National Affairs, Inc., Current Developments, July 24, 1980, p. A-7.

14. Material for this section taken from William McCarthy, Reducing Urban Unemployment: What Works at the Local Level (Washington, D.C.: National League of Cities, October 1985).

15. For a complete list of Corps programs, contact the Human Environment Center, 810 18th Street, N.W., Washington, D.C. 20006; 202/393-5550.